

FEDERAL REGISTER

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Washington, Wednesday, May 17, 1939

The President

EXECUTIVE ORDER

FURTHER AMENDING EXECUTIVE ORDER NO. 7677-A, OF JULY 26, 1937, AS AMENDED, ENTITLED "CIVILIAN CONSERVATION CORPS"

By virtue of and pursuant to the authority vested in me under the Act entitled "An Act to establish a Civilian Conservation Corps, and for other purposes" approved June 28, 1937 (50 Stat. 319), as amended by the Act of May 12, 1938 (52 Stat. 349), and the Act of June 25, 1938 (52 Stat. 1198), paragraph No. 3 of Executive Order No. 7677-A of July 26, 1937,¹ as amended by Executive Order No. 7717 of September 29, 1937,² is hereby further amended to read as follows:

"3. The Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, and the Administrator of Veterans' Affairs are requested to cooperate with the Director of the Civilian Conservation Corps in carrying out the purposes of the said Act of June 28, 1937, as amended. Each of the said Secretaries and the said Administrator shall appoint a representative who shall, upon request of the Director, confer with him and under his direction aid him in prosecuting effectively the purposes contemplated by the said Act, as amended."

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
May 15, 1939.

[No. 8133]

[F. R. Doc. 39-1695; Filed, May 16, 1939;
9:43 a. m.]

EXECUTIVE ORDER

MODIFICATION OF EXECUTIVE ORDER NO. 6746 OF JUNE 21, 1934, AS MODIFIED, PRESCRIBING RATES OF COMPENSATION OF GOVERNMENT EMPLOYEES IN EMERGENCY AGENCIES, ETC.

By virtue of the authority vested in me as President of the United States, it

is ordered that Executive Order No. 6746 of June 21, 1934, as modified, prescribing rates of compensation of Government employees in emergency agencies, etc., not subject to the Classification Act of 1923, as amended, be, and it is hereby, further modified to provide that the heads of agencies operated in whole or in part from emergency funds the compensation of the employees of which may be fixed without regard to the Classification Act of 1923, as amended, may elect to classify the positions of the employees of their respective agencies, now in the service or hereafter appointed, and fix the rates of compensation therefor either in accordance with the salary schedule contained in Executive Order No. 6746 of June 21, 1934, or in accordance with the provisions of the Classification Act of 1923, as amended.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
May 15, 1939.

[No. 8134]

[F. R. Doc. 39-1698; Filed, May 16, 1939;
11:25 a. m.]

EXECUTIVE ORDER

APPEALS FROM DECISIONS OF THE AUDITOR GENERAL OF THE PHILIPPINES TO THE PRESIDENT OF THE UNITED STATES

Under and by virtue of the authority vested in me by section 7 (4) of the act of March 24, 1934, 48 Stat. 456, 461 (U.S.C., title 48, sec. 1237), and as President of the United States, I hereby prescribe the following regulations and procedure governing appeals from decisions of the Auditor General of the Philippines to the President of the United States:

1. Every appeal from a decision of the Auditor General of the Philippines to the President of the United States shall be in writing, shall be addressed to the President of the United States, shall definitely specify the particular decision of the Auditor General appealed from, shall embody a statement of the reasons and authorities relied upon, and shall be filed, with one duplicate copy, in the

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¹ 2 F.R. 1346.
² 2 F.R. 2087.



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The Administrative Committee consists of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer.

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Office of the United States High Commissioner to the Philippine Islands within thirty days from the date of the decision appealed from.

2. Upon receipt of such an appeal the High Commissioner shall transmit a copy thereof to the Auditor General of the Philippines, who shall, within thirty days after his receipt of the copy, provide the High Commissioner with au-

thenticated copies of all pertinent documents and correspondence within his control, together with any statement he may desire to offer in connection with the appeal.

3. Upon receipt from the Auditor General of the matter specified in the preceding paragraph, the High Commissioner, acting for and on behalf of the President of the United States, shall proceed to consider the appeal, and if he concurs in the decision of the Auditor General, he shall duly notify the appellant and the Auditor General in writing to that effect, which notification shall constitute a final disposition of the appeal.

4. If, upon his consideration of such an appeal, the High Commissioner concludes that the decision appealed from is erroneous, he shall transmit the pertinent papers, together with a statement of his views and recommendations, through the Bureau of Insular Affairs, to the Secretary of War, for submission to the President.

5. The decision of the President shall be recorded by the Secretary of War in the form of an indorsement on the file, which shall then be returned to the High Commissioner, who shall in writing inform the appellant and the Auditor General of the decision of the President.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

May 15, 1939.

[No. 8135]

[F. R. Doc. 39-1699; Filed, May 16, 1939; 11:25 a. m.]

EXECUTIVE ORDER

DELEGATING CERTAIN POWERS TO THE ATTORNEY GENERAL AND DIRECTING THE SECRETARY OF THE TREASURY TO SELL CERTAIN SECURITIES

By virtue of the authority vested in the President by section 5 (a) of the Trading with the Enemy Act, approved October 6, 1917 (40 Stat. 411, 415), as amended, the Settlement of War Claims Act of 1928, approved March 10, 1928 (45 Stat. 254), and Public Resolution No. 53, approved June 27, 1934 (48 Stat. 1267), it is hereby ordered as follows:

1. All power and authority conferred upon the President by sections 9, 12, 20, and 21 of the said Trading with the Enemy Act, as amended, and all power and authority which the President under that Act has heretofore ordered to be exercised through the Alien Property Custodian, are hereby vested in and shall be exercised through the Attorney General or the Assistant Attorney General in charge of the Claims Division in the Department of Justice.

2. All acts heretofore performed by the Attorney General and by the Department of Justice, under the supervision of the Attorney General, pertain-

ing to the administration of the rights, privileges, duties, and powers conferred upon the Alien Property Custodian by Executive order and thereafter transferred to the Department of Justice, to be administered under the supervision of the Attorney General, by Executive Order No. 6694 of May 1, 1934, and hereby approved, confirmed, and ratified.

3. The first clause of section 3 of Executive Order No. 6981 of March 2, 1935, is hereby amended to read as follows:

"For the purposes of this Executive order, (a) the nationality, residence, domicile, or other qualification of claimants under the Trading with the Enemy Act, as amended, shall be that determined by the Attorney General or the Assistant Attorney General in charge of the Claims Division in the Department of Justice;"

4. All securities in which the Secretary of the Treasury has invested moneys deposited in the Treasury by the Alien Property Custodian or the Attorney General, as successor to the Alien Property Custodian, under section 12 of the said Trading with the Enemy Act, as amended, and which do not represent funds deposited, or available for deposit, in the German Special Deposit Account under section 4 of the said Settlement of War Claims Act of 1928 shall be sold by the Secretary of the Treasury, and the proceeds shall be deposited in the Treasury to the account of the Attorney General, Alien Property Bureau.

5. All Executive orders heretofore issued delegating or transferring to the Alien Property Custodian or to the Attorney General or the Department of Justice powers vested in the President by the said Trading with the Enemy Act, as amended, are hereby superseded by this order in so far as they delegate or transfer any such powers.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

May 15, 1939.

[No. 8136]

[F. R. Doc. 39-1700; Filed, May 16, 1939; 11:25 a. m.]

MARQUETTE NATIONAL FOREST—MICHIGAN Correction

The date of Proclamation No. 2319, entitled "Correcting a Portion of Proclamation Enlarging the Marquette National Forest—Michigan," and appearing at Page 229 of the **FEDERAL REGISTER** for Saturday, January 14, 1939 (which proclamation was correctly referred to in Proclamation No. 2336, entitled "Correcting the Proclamations of November 25, 1938, and January 11, 1939, Relating to the Marquette National Forest—Michigan," appearing at Page 2025 of the **FEDERAL REGISTER** for Tuesday, May 16, 1939), should read "11" day of January" instead of "11" day of December."

Rules, Regulations, Orders

TITLE 6—AGRICULTURAL CREDIT
COMMODITY CREDIT CORPORATION

[CCC Wool Form 1, Instructions, 1939]

INSTRUCTIONS CONCERNING THE MAKING
OF LOANS BY COMMODITY CREDIT CORPORATION ON THE SECURITY OF WOOL
OR MOHAIR REPRESENTED BY WAREHOUSE RECEIPTS

Commodity Credit Corporation has authorized the making of loans and the purchase of eligible paper secured by the pledge of wool or mohair warehouse receipts. These instructions state the requirements of Commodity Credit Corporation with reference to making such loans and the purchase of such paper.

1. *Definitions.* As used in these instructions, unless the context otherwise requires, the following terms will be construed respectively to mean:

(a) *Producer.* Any person, partnership, association, or corporation producing wool or mohair.

(b) *Wool pool.* Any informal pool organized by and consisting of two or more producers of wool or mohair which is represented by a wool dealer or bank or trust company or agricultural or livestock credit corporation acting as a borrowing representative or agent for such producers, pursuant to Producer's Authority to Pool (1939 CCC Wool Form C).

(c) *Eligible wool.* Wool or mohair produced in 1939, the beneficial title to which is and always has been in the producer.

(d) *Lending agency.* Any bank, cooperative marketing association, or other corporation, partnership, association, or person making loans on 1939 CCC Wool Form A or B, or holding notes on these forms evidencing such loans. (A Loan Agency of the Reconstruction Finance Corporation is not included within this definition.)

(e) *Eligible paper.* Notes on 1939 CCC Wool Forms A or B, or any form hereinafter approved by Commodity Credit Corporation dated subsequent to May 1, 1939, and on or before October 31, 1939, and executed in accordance with these instructions with State documentary revenue stamps affixed thereto when required by law. (Notes executed by an administrator, executor, or trustee will be acceptable only where valid in law, and all such notes must be submitted for direct loans in accordance with section 9 hereof.)

2. *Forms.* The following forms are available for use in connection with loans made or eligible paper purchased by Commodity Credit Corporation:

(a) Wool Producer's Note (1939 CCC Wool Form A).

(b) Wool Pool Note (1939 CCC Wool Form B).

(c) Producer's Authority to Pool (1939 CCC Wool Form C).

(d) Appraiser's Certificate to be executed by appraisers of Commodity Credit Corporation (1939 CCC Wool Form D).

(e) Producer's Letter of Transmittal (1939 CCC Wool Form E).

(f) Lending Agency's Letter of Transmittal (1939 CCC Wool Form F).

(g) Contract to purchase (1939 CCC Wool Form H).

(h) Schedule of Repayments (1939 CCC Wool Form J).

3. *Wool loan basis.* Following are the classifications and scoured or clean wool values of wool in Boston which form the basis for determining the amounts to be loaned against grease wool of comparable grades:

Classification	Value scoured or clean wool (cents per pound)
Fine wool:	
Class 1. Strictly staple wool.....	59
(a) Graded delaine.	
(b) Graded territory.	
Class 2. Choice French combing with some staple length.....	57
(a) Choice 12 months Texas, including original bags.	
(b) Graded territory.	
(c) Original bag territory, staple, and choice French combing.	
(d) Choice original bag delaine.	
Class 3. Good French combing.....	56
(a) 12 months Texas, including original bags.	
(b) Graded territory.	
(c) Original bag territory, bulk good French combing with some choice French combing or staple.	
Class 4. Average French combing.....	54
(a) 12 months Texas, including original bags.	
(b) Graded territory, average to fair French combing.	
(c) Original bag territory, average to good French combing.	
Class 5. Clothing and stubby also poor and inferior wool.....	50
(a) Graded territory clothing and stubby mixed.	
(b) Original bag short French combing and clothing with some stubby.	
(c) Original bag, poor and inferior wool.	
Class 6. Eight months Texas, free of defect.....	52
Class 7. Eight months Texas, slightly defective or short.....	48
Half-blood wool:	
Class 8. Graded territory strictly staple.....	54
Class 9.....	52
(a) Graded territory average combing length.	
(b) Original bag territory, bulk half-blood, may include some fine and three-eighths.	
(c) Graded territory half - blood clothing and stubby.	
Three-eighths blood wool:	
Class 10.....	48
(a) Graded territory.	
(b) Original bag territory, bulk three-eighths, may include some half-blood and quarter-blood.	
Quarter-blood wool:	
Class 11.....	44
(a) Graded territory.	
(b) Original bag territory, bulk quarter-blood, may include some three-eighths and occasional low quarter-blood.	
Class 12. Low quarter-blood—common and braid.....	35

Classification	Value scoured or clean wool (cents per pound)
Quarter-blood wool—Common.	
Class 13. Rejects.....	20
(a) Burry and seedy wools.	
(b) Black.	
(c) Cotts.	
(d) Fine bucks.	
(e) Dead (not murraine).	
(f) Navajo.	
(g) Karakul.	
Tags, crutchings, clippings, corral sweeps and murraine dead have no loan value.	

Appraisers for Commodity Credit Corporation will determine shrink and classification and compute the loan value of the wool. Fall Texas wool is to be classed under other grades with average to good length fall Texas wool free of defect to be figured at 48 cents clean basis and fall Texas wool slightly defective or short to be figured at 43 cents clean basis. Defective eight-months or defective fall Texas are to be classed as rejects under class 13.

Original bag fine wool may contain up to 25 percent of half-blood wool with a trace of three-eighths blood wool. Rejects are to be figured at 50 percent shrinkage and 20 cents clean basis to give the equivalent of a 10-cent grease gross loan value.

A deduction of 5 cents per clean pound will be made by appraisers on all fleece wool, with the exception of choice delaine eligible to classes 1 or 2, and a deduction of 5 cents per clean pound for wool produced in central and southern California and 2 cents per clean pound for wool produced in northern California.

As to wool stored at points other than Boston, appraisers for Commodity Credit Corporation, in computing the loan value of the wool, will also make appropriate allowance for transportation to Boston using the lowest published rates—rail and/or water.

Prior to the issuance of appraisal certificates, appraisers of Commodity Credit Corporation will collect an appraisal charge of 20 cents per bag for original-bag wool. On wool which is graded and piled in warehouses, the appraiser will collect an appraisal charge of 20 cents for each 400 pounds or fraction thereof.

3a. *Mohair loan basis.* Following are the classifications and grease-mohair values:

Classification—Point of storage:	Cents per pound
Kid—Texas and Boston.....	30
Adult—Texas and Boston.....	20
Kid—All other points.....	29
Adult—All other points.....	19

Appraisers for Commodity Credit Corporation will determine the classification and compute the loan value of the mohair. Prior to the issuance of appraisers' certificates on mohair, the appraisers will collect an appraisal charge of 20 cents per bag.

3b. *Maturity and interest rate.* The loans will mature 10 months from date or May 31, 1940, whichever is earlier, and will bear 4 percent interest.

4. *Cooperative association.* Any producer who is a member of a cooperative

marketing association may negotiate loans through such an association. Co-operative marketing associations meeting the requirements of the Capper-Volstead Act may arrange to enter into contracts with Commodity Credit Corporation which will enable such associations to make loans or advances to their members.

5. *Warehouses.* Commodity Credit Corporation will accept only negotiable insured warehouse receipts covering wool or mohair pledged as collateral to notes on 1939 CCC Wool Forms A or B issued by any public warehouse approved by the Loan Agency of the Reconstruction Finance Corporation serving the district in which such warehouse is located. Warehousemen are advised to communicate with the Loan Agency of the Reconstruction Finance Corporation concerning approval. Each approved warehouse must enter into an agreement with the Commodity Credit Corporation which may be obtained from the Loan Agency. This agreement will limit the warehouseman's lien and define his obligations to Commodity Credit Corporation. All wool or mohair pledged as security for a note must be in the same warehouse. A list of the approved warehouses and their locations will be available at any Loan Agency of the Reconstruction Finance Corporation listed in section 14 hereof.

6. *Warehouse receipts.* Only negotiable, insured warehouse receipts dated on or prior to the date of the related note and properly assigned by an endorsement in blank so as to vest title in the holder, or issued to bearer, executed by warehousemen who are not owners of the wool or mohair, will be acceptable. The insurance furnished by the warehouseman must cover fire, lightning, and windstorm. Such receipts must set out in their written or printed terms a description by lot number, weight of the wool or mohair, and the number of bags represented thereby, or description of graded pile, and all other facts and statements required to be stated in the written or printed terms of a negotiable warehouse receipt under the provisions of section 2 of the Uniform Warehouse Receipts Act. It is suggested that each producer arrange for the issuance of a separate receipt for sample bags of wool in order to expedite the offering of wool for sale.

7. *Appraisers.* Commodity Credit Corporation will employ appraisers who will be available from time to time at the approved warehouses for the examination and appraisal of pledged wool or mohair. Producers or wool pools or co-operatives desiring to have their wool or mohair appraised should so advise the warehouseman, who will make the necessary arrangements with the appraisers when the warehouse receipts are issued. After examining the wool or mohair the appraiser will issue an appraisal certificate on 1939 CCC Wool Form D, of which two copies will be attached to the warehouse receipts and de-

livered to the producer or the wool pool or order. The original appraiser's certificate and warehouse receipts must accompany the related note. Appraisal charges as stated in sections 3 and 3a must be paid prior to the issuance of the certificates. The appraisers of Commodity Credit Corporation will not re-appraise any wool or mohair which has once been appraised.

8. *Preparation of documents.* A producer or wool pool desiring a loan upon eligible wool or mohair may obtain the necessary forms from the Loan Agencies of the Reconstruction Finance Corporation listed in section 14 of these instructions. Such forms may also be obtained from Commodity Credit Corporation, Washington, D. C. The forms are identified, and no reprints or substitutes may be used.

All blanks in both the note and loan agreement must be filled in with ink, indelible pencil, or typewriter in the manner indicated therein, and no documents containing additions, alterations, or erasures will be accepted by Commodity Credit Corporation. Only the white copy of the note and loan agreement marked "original" is to be executed; the colored copy marked "duplicate" is to be retained by the producer.

9. *Direct loans.* It is contemplated that producers will ordinarily arrange for loans through local banks or other lending agencies, which, in turn, may sell the eligible paper evidencing such loans to Commodity Credit Corporation. Arrangements, however, have been made for making direct loans to producers on or before October 31, 1939. In the case of direct loans the notes must be made payable to Commodity Credit Corporation and must be tendered to the Loan Agency of the Reconstruction Finance Corporation serving the district in which the wool or mohair is stored, accompanied by a Producer's Letter of Transmittal (1939 CCC Wool Form E), in duplicate, postmarked not later than midnight of October 31, 1939, if tendered by mail. Upon delivery of all necessary documents properly executed and upon their approval, payment will be made in accordance with the directions of the producer contained in said 1939 CCC Wool Form E. When the Letter of Transmittal and documents are presented by the producer in person, the certificate printed at the bottom of the letter need not be executed, provided the producer can furnish evidence satisfactory to the Loan Agency as to his identity.

10. *Wool pools.* Producers may join with other producers to form informal wool pools for the purpose of obtaining loans from Commodity Credit Corporation. In this connection assistance may be obtained from county extension agents or other governmental representatives. The representative of such informal pools must obtain authority from the producers for the pooling of the wool or mohair and the pledging there-

of to Commodity Credit Corporation on a Producer's Authority to Pool, 1939 CCC Wool Form C.

If the wool is to be graded, authority must be obtained from the producer by the execution of section 7 of the Producer's Authority to Pool (1939 CCC Wool Form C). In such cases, the pool representative must execute section 3 of the pool note. Commodity Credit Corporation will not accept notes on 1939 CCC Wool Form B secured by graded wool which were originally secured by less than 75,000 pounds of graded wool in any one line or when the range of shrinkage in any pile exceeds 4 percent.

It is suggested that the representatives of graded wool pools should arrange for the issuance of warehouse receipts on the basis of not more than 50,000 pounds of graded wool to each receipt, provided all the wool in the graded pile is pledged as security to one note. This will greatly aid in the partial release of such graded wool on a warehouse receipt basis. All the wool in the pool may be pledged as security to one note or a separate note may be used for the graded wool in each line subject to the minimum quantity noted above. Graded lines of wool as used herein shall mean the lines set forth in the 1939 CCC Wool Form C.

The pool representative must execute the note evidencing the advance and pledging the wool or mohair without further liability on the part of such representative to Commodity Credit Corporation, except in the case of fraud or misrepresentation or on failure to comply with the terms of the note or Producer's Authority to Pool (1939 CCC Wool Form C). Dealers banks, agricultural or livestock credit corporations may act as representatives of wool pools. Such notes may be made payable to Commodity Credit Corporation and submitted immediately with a Lending Agency's Letter of Transmittal (1939 CCC Wool Form F) in which case no allowance for interest will be made by Commodity Credit Corporation. However, if the representative of the wool pool has executed a Contract to Purchase (1939 CCC Wool Form H), allowance will be made by Commodity Credit Corporation for the interest from the date of the note.

11. *Lending agencies.* Commodity Credit Corporation will purchase eligible paper as above defined only from lending agencies which have executed and delivered to the Loan Agency of the Reconstruction Finance Corporation serving the district in which the pledged wool or mohair is stored, a Contract to Purchase (1939 CCC Wool Form H) obtainable only from Loan Agencies. Such eligible paper must be tendered to the proper Loan Agency for purchase prior to February 1, 1940. The purchase price for such eligible paper will be the face amount of the notes, plus interest thereon at the rate of two and one-half percent (2½%) per annum from the

respective dates of such notes to the date of purchase. In this connection the representative of a wool pool or pools may carry under the terms of the Contract to Purchase, the notes which it has executed. Under the terms of the Contract to Purchase, lending agencies are required to report on 1939 CCC Wool Form J all payments or collections on notes held by them, and to remit promptly to Commodity Credit Corporation, Washington, D. C., an amount equivalent to 1½ percent per annum interest on the principal amount collected from the respective dates of the notes to the date of payment. Lending agencies are requested to detach the loan agreements from the notes and forward the same with such remittances. Notes on 1939 CCC Wool Form A or B may be endorsed without recourse by lending agencies tendering same.

Care should be exercised by the lending agency to determine the genuineness of the signatures to such notes and loan agreements, and that the warehouse receipts are genuine and represent merchandise wool or mohair in existence. No provision is made for any deduction from the loan proceeds as a charge for handling the loan documents. Lending agencies must complete the "Advice of Loan" slip appended to the loan agreement, detach and mail same to Commodity Credit Corporation, Washington, D. C., at the time such notes are executed. The Advice of Loan and also the Schedule of Repayments (1939 CCC Wool Form J) must be filled in with ink, indelible pencil, or typewriter.

12. *Liens.* All wool or mohair tendered to Commodity Credit Corporation as security to notes on 1939 CCC Wool Form A must be free and clear of all liens except in favor of the lienholders listed in the space provided therefor in the Loan Agreement. The names of the holders of all existing liens on the pledged wool or mohair (but not warehousemen) must be listed in the space provided therefor in paragraph 2 of the loan agreement. A misrepresentation as to prior liens, or otherwise, will render the producer personally liable under the terms of the loan agreement (1939 CCC Wool Form A) and subject to criminal prosecution under the provisions of section 35 of the Criminal Code of the United States, which section is printed at the end of the loan agreement. The waiver and consent to the pledge of the wool or mohair and the payment of the proceeds of the loan and the proceeds of the sale of the wool or mohair solely to the producer as contained in paragraph 2 of the loan agreement must be signed personally by all lienholders listed or by their agents, whose duly executed authority must be attached firmly; or, if corporations, by the designated officer thereof customarily authorized to execute such instruments, in which case the duly executed authority need not be attached. Notes in which the waiver and consent to pledge, as contained in para-

graph 2 of the Loan Agreement, are not signed by all prior lienholders listed by producer, will not be acceptable to Commodity Credit Corporation. The producer may direct in the Letter of Transmittal (1939 CCC Wool Form E) that the proceeds check for a direct loan from Commodity Credit Corporation be made payable to him and/or such other person or concern as he may direct thereon.

All wool or mohair pledged to secure wool pool notes on 1939 CCC Wool Form B must likewise be free and clear of all liens. The representative executing the note is required to state that each producer participating in the pool has represented and agreed that the wool or mohair delivered by him is free and clear of liens, and the pool representative must be satisfied as to the power of any lienholders listed by such producers to waive liens and consent to the pledge.

13. *Insurance.* Holders of notes desiring insurance coverage in addition to the insurance coverage provided by warehousemen should obtain such coverage at their own expense. Commodity Credit Corporation will make no allowance for insurance in purchasing eligible paper.

14. *Loan agencies of the Reconstruction Finance Corporation.* The location of the Loan Agencies of the Reconstruction Finance Corporation previously referred to herein and the districts served by them are shown below:

Loan agency	District served
Atlanta.....	All cities in 6th Federal Reserve District except those attached to Nashville.
Boston.....	All cities in 1st and 2d Federal Reserve District.
Chicago.....	All cities in 7th Federal Reserve District.
Denver.....	All cities in 10th Federal Reserve District attached to Denver.
Kansas.....	All cities in 10th Federal Reserve District not attached to Omaha or Denver.
Louisville.....	All cities in 4th Federal Reserve District and cities in 8th Federal Reserve District attached to Louisville.
Minneapolis....	All cities in 9th Federal Reserve District.
Nashville.....	All cities in 6th Federal Reserve District attached to Nashville.
Omaha.....	All cities in 10th Federal Reserve District attached to Omaha.
Philadelphia...	All cities in 3d Federal Reserve District.
Portland.....	All cities in 12th Federal Reserve District attached to Spokane, Seattle, and Portland.
Richmond.....	All cities in 5th Federal Reserve District.
San Antonio....	All cities in 11th Federal Reserve District.
San Francisco...	All cities in 12th Federal Reserve District attached to San Francisco and Los Angeles.
St. Louis.....	All cities in 8th Federal Reserve District except those attached to Louisville.

15. *Grading of pledged wool.* Prior to November 1, 1939, Commodity Credit

Corporation, will permit the grading of wool pledged as security to notes on 1939 CCC Wool Forms A and B and will recognize the lien of the warehouseman for grading charges of not more than one-half cent per pound. Such grading may be done only with the consent of the producers or pool representatives. The wool securing any one note must be graded separately, and each grade of the wool must be held separately. The original warehouse receipt or receipts evidencing such graded wool must have attached thereto a certificate of the warehouseman substantially in the following form:

The undersigned warehouseman hereby certifies that, at the written request of the borrower, _____ pounds of wool represented by warehouse receipt Nos. _____, pledged as security to CCC note dated _____, in the amount of \$_____, was graded and each grade held separately. The quantities of each grade are as follows:

Description	Weight
	Total _____ pounds

A lien is claimed for grading said wool at the rate of _____ cents per pound.

(Warehouseman)
By _____
(Title)

Dated _____

In the case of notes held by Commodity Credit Corporation, the foregoing certificate may be forwarded to the Loan Agency of Reconstruction Finance Corporation serving the district in which the wool is stored for attachment to the notes and warehouse receipts. In the case of notes held by lending agencies, the certificates must be attached to the warehouse receipts prior to the purchase of the notes by Commodity Credit Corporation.

At the request of producers, Commodity Credit Corporation will make arrangements for partial releases of wool graded under the foregoing procedure and represented by one warehouse receipt, provided the notes secured by such wool are held by Commodity Credit Corporation.

16. *Release of collateral.* If the producer's or wool pool's notes was made payable to Commodity Credit Corporation and it is desired to obtain the return of the note and the release of the collateral upon payment, the Federal Reserve bank or branch thereof serving the district in which the wool or mohair is stored should be notified. If note was made payable to a payee other than Commodity Credit Corporation, the producer or representative of the wool pool should notify the payee named therein. Warehouse receipts representing wool or mohair held by Commodity Credit Corporation will be released by the Federal Reserve bank or branch thereof holding the receipts, upon the payment of the amount of the loan, the accrued interest, and proper charges. Upon written request of the producer or the lending agency, the note and warehouse receipts will be forwarded to an approved bank, to be released to the producer or his agent or the representative of the wool

pool against payment. Where receipts are transmitted to a bank they will be sent with a request to return them to the sender if payment and release are not effected within 15 days. All charges and expenses of the collecting bank are to be paid by the producer or representative of the wool pool.

17. *Partial releases of collateral.* Partial releases of pledged wool or mohair pledged to secure a note on 1939 CCC Wool Form A and B will be permitted upon condition that all wool or mohair represented by any one warehouse receipt is withdrawn and that the entire net sales proceeds in an amount not less than the loan value of the released wool or mohair are applied upon the note.

If the borrower's note is made payable and has been submitted to Commodity Credit Corporation, borrowers desiring to obtain partial releases should notify the Federal Reserve Bank or branch thereof serving the district in which the wool or mohair is stored of the warehouse receipts representing wool or mohair to be released. If the note is not held by Commodity Credit Corporation, the borrower should notify the holder of such note.

Warehouse receipts representing wool or mohair held by Commodity Credit Corporation will be forwarded to an approved bank to be released to the borrower or agent against payment of the net sales proceeds (as certified by the borrower), which shall be not less than the amount loaned on the wool or mohair to be released plus interest on such amount and any charges applicable thereto.

Banks and other lending agencies, including representatives of wool pools and graded wool pools, may also permit partial releases as provided above, and Commodity Credit Corporation will purchase notes on which partial releases have been made, provided the note is credited by the lending agencies with the net sales proceeds (as certified by the borrower and attached to this note), which shall be not less than the full amount loaned on the wool or mohair released plus interest at the rate of 4 percent per annum thereon. An amount equivalent to 1½% per annum on the amount of such principal collected at the time of such partial releases from the date of the note or notes to the date of payment should be remitted to Commodity Credit Corporation in accordance with the terms of the Contract to Purchase (1939 CCC Wool Form H).

The certification by the borrower in regard to the net sales proceeds should be substantially in the following form:

The undersigned has heretofore executed a note on 1939 CCC Wool Form _____, dated _____, in the amount of \$_____. Warehouse receipt No. _____ has been withdrawn and the undersigned hereby certifies that the sales proceeds for the wool or mohair represented by such receipt is \$_____, from which there has been deducted the amount of \$_____, representing selling commission and transportation or handling costs,

leaving net sales proceeds in the amount of \$_____

(Borrower)

Payment will be made to the lending agencies on the basis of the amount loaned on the collateral remaining pledged as security to the note plus interest on such amount at the rate of 2½ percent per annum from the date of the note to the date of purchase.

[SEAL]

M. R. BUCK,
Assistant Secretary.

[F. R. Doc. 39-1694; Filed, May 16, 1939;
9:43 a. m.]

TITLE 7—AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

[Wheat 40-2]

PART 728—PROCLAMATION PERTAINING TO TOTAL SUPPLY AND NORMAL SUPPLY OF WHEAT FOR THE 1939-40 MARKETING YEAR AND THE WHEAT ACREAGE ALLOT- MENT FOR THE 1940 CROP OF WHEAT

Whereas, the Agricultural Adjustment Act of 1938, as amended, provides:

"§ 332. Not later than July 15 of each marketing year for wheat, the Secretary shall ascertain and proclaim the total supply and the normal supply of wheat for such marketing year, and the national acreage allotment for the next crop of wheat.

"§ 333. The national acreage allotment for any crop of wheat shall be that acreage which the Secretary determines will, on the basis of the national average yield for wheat, produce an amount thereof adequate, together with the estimated carry-over at the beginning of the marketing year for such crop, to make available a supply for such marketing year equal to a normal year's domestic consumption and exports plus 30 per centum thereof. The national acreage allotment for wheat for 1938 shall be sixty-two million five hundred thousand acres. The national acreage allotment for wheat for 1939 shall be not less than fifty-five million acres."

Whereas said act contains, in section 301 (b), the following definitions of terms here pertinent:

"'Carry-over' of wheat, for any marketing year shall be the quantity of wheat on hand in the United States at the beginning of such marketing year, not including any wheat which was produced in the United States during the calendar year then current, and not including any wheat held by the Federal Crop Insurance Corporation under Title V.

"'Marketing year' means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

* * * * *

"Wheat, July 1-June 30.

"'Normal supply' in the case of * * * wheat shall be a normal year's

domestic consumption and exports of the commodity, plus * * * 15 per centum in the case of wheat, of a normal year's domestic consumption and exports, as an allowance for a normal carry-over.

"'Normal year's domestic consumption' in the case of * * * wheat shall be the yearly average quantity of the commodity, wherever produced, that was consumed [consumed] in the United States during the ten marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

"'Normal year's exports' in the case of * * * wheat shall be the yearly average quantity of the commodity produced in the United States that was exported from the United States during the ten marketing years * * * immediately preceding the marketing year in which such exports are determined, adjusted for current trends in such exports.

"'Total supply' of * * * wheat for any marketing year shall be the carry-over of the commodity for such marketing year plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins."

Whereas said act provides, in section 301 (c), that "The latest available statistics of the Federal Government shall be used by the Secretary [of Agriculture] in making the determinations required to be made by the Secretary under this Act.":

Now therefore, be it known that I, H. A. Wallace, Secretary of Agriculture of the United States of America, acting under and pursuant to, and by virtue of the authority vested in me by the Agricultural Adjustment Act of 1938, as amended, upon the basis of latest available statistics of the Federal Government do hereby find, determine, and proclaim under sections 332 and 333 of said Act that:

§ 728.101 *Total supply, normal supply and 1940 national allotment for wheat.*

(a) The "total supply" of wheat for the marketing year commencing July 1, 1939 is 974 million bushels.

(b) The "normal supply" of wheat is 869 million bushels.

(c) The national acreage allotment for the 1940 crop of wheat is 62 million acres.

(Sec. 332, 333, 301 (b), 301 (c), 52 Stat. 53, 53, 39, 43; 7 U.S.C., Sup. IV, 1332, 1333, 1301, 1301)

Done at Washington, D. C., this 16th day of May 1939. Witness my hand and the seal of the Department of Agriculture.

[SEAL]

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 39-1696; Filed, May 16, 1939;
10:46 a. m.]

TITLE 8—ALIENS AND CITIZENSHIP IMMIGRATION AND NATURALIZA- TION SERVICE

[General Order No. C-10]

MANIFESTING PASSENGERS ON VESSELS TOUCHING AT MORE THAN ONE UNITED STATES PORT

MAY 13, 1939.

Pursuant to the authority contained in Section 23 of the Immigration Act of 1917 (Act of February 5, 1917, 39 Stat. 892; 8 U.S.C. 102), Sec. 1.12, Title 8, Code of Federal Regulations (Rule 2, Subdivision A, Paragraph 2 of the Immigration Rules and Regulations of January 1, 1930, Edition of December 31, 1936, as amended), is amended to read as follows:

§ 1.12 *Vessels touching at more than one port.* Where vessels touch at more than one United States port, passengers will be manifested for the United States port of destination or final United States port of call, and such manifests shall be presented at all intermediate ports in the United States and a notation made in the space following the last numbered column on Forms 500 and 630, showing the port or ports at which passengers are granted shore leave. This notation will be simply an abbreviation of the name of the port.

General Order No. C-8, February 4, 1939,¹ is hereby canceled.

[SEAL] JAMES L. HOUGHTELING,
*Commissioner of Immigration
and Naturalization.*

Approved:

FRANCES PERKINS,
Secretary.

[F. R. Doc. 39-1701; Filed, May 16, 1939;
11:29 a. m.]

TITLE 9—ANIMALS AND ANIMAL PRODUCTS

BUREAU OF ANIMAL INDUSTRY

[Amendment 2, BAI Order 364]

SUBCHAPTER G—REGULATIONS UNDER THE PACKERS AND STOCKYARDS ACT

AMENDMENT OF RULES AND REGULATIONS WITH RESPECT TO STOCKYARD OWNERS, MARKET AGENCIES, DEALERS, AND LICEN- SEES

Under the authority conferred upon the Secretary of Agriculture by the provisions of the Packers and Stockyards Act, approved August 15, 1921 (42 Stat. 159, 7 U.S.C. 181-231), the general rules and regulations of the Secretary of Agriculture with respect to stockyard owners, market agencies, dealers, and licensees, BAI Order 364, issued February 17, 1938,² effective March 1, 1938 (9 CFR, Parts 201, 202, 203, and 204), are hereby amended as hereinafter set forth.

Amends 9 CFR 201.2 (Regulation 2 (a)) to read as follows:

¹ 4 F.R. 522 DI.

² 3 F.R. 499 DI.

§ 201.2 (Reg. 2 (a)) *Registration.* Registration (42 Stat. 163) by market agencies and dealers shall be accomplished by properly filling out and delivering to the Secretary of Agriculture at Washington, D. C., by mail or otherwise, a form which will be furnished on request for the purpose. Registrations submitted by officers, agents, or employees of a suspended registrant, who were responsible for or participated in the violation on which the order of suspension was based, will not be accepted for filing within the period during which the order of suspension is in effect. (Secs. 303, 407, 42 Stat. 163, 169; 7 U.S.C. 203, 228) [Reg. 2 (a), BAI Order 364, Feb. 17, 1938, as amended May 16, 1939]

This amendment, which is designated as amendment 2 to BAI Order 364 (9 CFR Sec. 201.2), shall become and be effective on the 16th day of May 1939.

Done at Washington, D. C., this 16th day of May 1939. Witness my hand and the seal of the Department of Agriculture.

[SEAL] H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 39-1702; Filed, May 16, 1939;
12:13 p. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

INTERSTATE COMMERCE COMMISSION

[Ex Parte No. MC-4]

ORDER IN THE MATTER OF QUALIFICATIONS OF EMPLOYEES AND SAFETY OF OPERA- TION AND EQUIPMENT OF COMMON AND CONTRACT CARRIERS BY MOTOR VEHICLE

At a session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 12th day of May, A. D. 1939.

Upon consideration of the record in the above-entitled proceeding and good cause appearing therefor:

It is ordered, That Part III of the rules approved, adopted and prescribed by order of December 23, 1936,¹ be modified by adding to Rule 2 of Section A—Lighting Devices and Reflectors—a proviso reading as follows:

Provided, however, That the color blue or purple may be used on the front and rear of any motor vehicle in a device to indicate the speed at which the motor vehicle is moving.

It is further ordered, That in all other respects the rules approved, adopted and prescribed in said order of December 23, 1936, shall remain in full force and effect.

By the Commission, division 5.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 39-1705; Filed, May 16, 1939;
12:34 p. m.]

¹ 2 F.R. 113.

Notices

DEPARTMENT OF AGRICULTURE.

Office of the Secretary.

DELEGATION OF POWER TO ASSISTANT SEC- RETARY OF AGRICULTURE TO DETERMINE NECESSITY FOR ACQUISITION OF REAL ESTATE BY CONDEMNATION AND AUTHOR- ITY TO EXECUTE DECLARATIONS OF TAKING

Pursuant to the authority vested in the Secretary of Agriculture by law (Sec. 2, 25 Stat. 659; 5 U.S.C., Sec. 517), I, H. A. Wallace, Secretary of Agriculture, hereby delegate to the Assistant Secretary of Agriculture the authority conferred upon the Secretary of Agriculture (a) by the act approved August 1, 1888 (25 Stat. 357), to determine whether it is necessary or advantageous to the Government to acquire for the United States real estate for public use by condemnation, under judicial process, and, whenever in his opinion it is necessary or advantageous to the Government to do so, the Assistant Secretary of Agriculture is authorized to make application to the Attorney General of the United States to cause proceedings to be commenced for condemnation; and (b) by the act approved February 26, 1931 (46 Stat. 1421), to execute and sign declarations of taking, declaring that lands are thereby taken for the use of the United States.

Done at Washington, D. C., this the 16th day of May 1939. Witness my hand and the seal of the Department of Agriculture.

[SEAL] H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 39-1703; Filed, May 16 1939;
12:13 p. m.]

FEDERAL POWER COMMISSION.

[Docket No. IT-5549]

IN THE MATTER OF MEMPHIS POWER & LIGHT COMPANY

NOTICE OF APPLICATION

MAY 15, 1939.

Notice is hereby given that on May 12, 1939, an application was filed with the Federal Power Commission, pursuant to Section 203 of the Federal Power Act, by Memphis Power & Light Company, a corporation organized under the laws of the State of New Jersey and doing business in the State of Tennessee, with its principal office at Memphis, Tennessee, seeking an order authorizing the sale and transfer of its electrical facilities to the City of Memphis, Tennessee, a municipal corporation organized and existing under the laws of the State of Tennessee, and to the Tennessee Valley Authority, a corporation created and now existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended.

As a matter collateral to and directly involved in the transaction for which the approval of the Commission is sought, the application states that the applicant proposes to transfer all of its gas distribution facilities to the City of Memphis. Concurrently with the proposed transfers of facilities above mentioned, and as a matter also collateral to the transaction for which the approval of the Commission is sought, the applicant proposes to transfer its Fourth Street electric generating station, located in Memphis, Tennessee, and two 110 k. v. transmission lines, located in Shelby County, Tennessee, and used for the transmission of electric energy in interstate commerce, to the Memphis Generating Company, a corporation organized under the laws of the State of Tennessee with its principal office at Memphis, Tennessee; all as more fully appears in the application on file with the Commission.

Any person desiring to be heard or to make any protest with reference to said application should, on or before the 31st day of May, 1939, file with the Federal Power Commission a petition or protest in accordance with the Commission's Rules of Practice and Regulations.

[SEAL]

LEON M. FUQUAY,
Secretary.[F. R. Doc. 39-1693; Filed, May 16, 1939;
9:43 a. m.]SECURITIES AND EXCHANGE COM-
MISSION.*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C. on the 11th day of May, A. D. 1939.

IN THE MATTER OF WEST OHIO GAS
COMPANY

Including related matters arising upon the following designated applications: Harry O. Bentley and Edmond W. Hebel, File No. 55-54; David C. Patterson, Max J. Mauermann, and David Copland, as a Committee for Holders of First and Refunding Mortgage Bonds of West Ohio Gas Company, File No. 55-55; Humes, Buck, Smith & Stowell and Marshall, Melhorn, Davies, Wall & Bloch, File No. 55-56; The National Bank of Lima, Ohio, File No. 55-57; and Duff and Phelps, File No. 55-59

ORDER

Applications having been filed pursuant to the Commission's Rule U-11F-2 promulgated under Section 11 (f) of the Public Utility Holding Company Act of 1935 by or on behalf of Harry O. Bentley and Edmond W. Hebel, attorneys for West Ohio Gas Company, Debtor; David C. Patterson, Max J. Mauermann and David Copland, as a Committee for holders of First and Refunding Mortgage bonds of said West Ohio Gas Com-

pany; American National Bank and Trust Company of Chicago, as escrow holder under an escrow agreement with said Committee dated as of June 1, 1937; Registered Security Dealers who have procured or recommended acceptances to the plan of reorganization of said West Ohio Gas Company approved by this Commission by order dated October 14, 1938; Humes, Buck, Smith & Stowell and Marshall, Melhorn, Davies, Wall & Bloch, attorneys for said Committee; The National Bank of Lima, Ohio, Trustee under the mortgage indenture securing the First and Refunding Mortgage bonds of said West Ohio Gas Company; and Messrs. Duff and Phelps, representatives of certain holders of First and Refunding Mortgage bonds of said West Ohio Gas Company and advisers to the Committee;

A public hearing having been held on these several applications pursuant to appropriate notice; all applicants having waived a Trial Examiner's report, submission to them of proposed findings of fact by the Commission or requested findings of fact by counsel to the Commission, and the right to file briefs and make oral argument before the Commission, prior to the entry of the Commission's findings and order herein; and the Commission having considered the record in these matters and having made and filed its findings and opinion herein;

It is ordered:

That maximum final allowances to be paid out of the estate of West Ohio Gas Company, Debtor, for services and expenses rendered and incurred and to be rendered and incurred in connection with, and to the end of, the proceedings for the reorganization of said company under Section 77B of the Bankruptcy Act now pending in the District Court of the United States for the Northern District of Ohio, Western Division, be and they are hereby approved and fixed as follows, subject to the condition, however, that the plan of reorganization of said company approved by this Commission by order dated October 14, 1938, be confirmed by said Court and consummated:

(1) \$4,500 to Harry O. Bentley for services to February 15, 1939, plus \$5 heretofore paid to him for out-of-pocket expenses incurred between March 15, 1938 and February 28, 1939; and \$7,000 to Edmond W. Hebel for services to February 15, 1939, plus \$261.50 heretofore paid to him for out-of-pocket expenses incurred between March 15, 1938 and February 28, 1939.

(2) \$10 per hour to Harry O. Bentley and to Edmond W. Hebel for services actually rendered or to be rendered by them or either of them, as determined by the Court, from February 15, 1939, to the end of said reorganization proceedings, provided the total of the amounts so paid to both of them does not exceed

\$1,500 in the aggregate, plus \$400 for their combined actual out-of-pocket expenses, as determined by the Court, from February 28, 1939, to the end of said reorganization proceedings. Bentley and Hebel are hereby exempted from the necessity of filing future applications pursuant to Rule U-11F-2 with respect to the allowances made in this paragraph (2).

(3) \$1,500 to David C. Patterson, \$500 to Max J. Mauermann and \$500 to David Copland, the Committee, for their services to the end of the reorganization proceedings, plus reimbursement of their expenses to February 28, 1939, in the amount of \$1,083.96, consisting of their out-of-pocket expenses for traveling, long-distance telephone calls, postage, telegrams and other miscellaneous items, and the cost of printing the plan of reorganization heretofore approved by this Commission and the Commission's report thereon, the letter of solicitation, forms of acceptances and notice of hearing.

(4) \$700 to the Committee for their combined actual out-of-pocket expenses, as determined by the Court, from February 28, 1939, to the end of the reorganization proceedings, said \$700 to include the \$400 estimated cost of printing the new mortgage indenture called for by the plan of reorganization heretofore approved by this Commission. The Committee are hereby exempted from the necessity of filing future applications pursuant to Rule U-11F-2 with respect to the allowances made in this paragraph (4).

(5) To Registered Security Dealers for their services and expenses in procuring or recommending acceptance of the plan of reorganization heretofore approved by this Commission by holders of First and Refunding Mortgage bonds of West Ohio Gas Company, not to exceed $\frac{1}{4}$ of 1% of the principal amount of such bonds covered by acceptances procured or recommended by the Registered Security Dealers whose names appear on the acceptances, as determined by the Court, provided that no such fee or fees shall be paid with respect to acceptances covering bonds owned or represented by the Committee or by its members, or represented by Messrs. Duff and Phelps, and provided further that no such fee or fees shall be paid for procuring or recommending acceptances filed with the Special Master in the reorganization proceedings subsequent to the date on which the aggregate principal amount of First and Refunding Mortgage bonds with respect to which acceptances have been filed equaled 66 $\frac{2}{3}$ % of the principal amount of such bonds outstanding. For purposes of the first proviso in this paragraph (5), the Committee will be considered to represent bonds on deposit with American National Bank and Trust Company of Chicago on March 29, 1939, and Duff and Phelps will be considered to represent the bonds listed in Exhibit E to the Committee's application, as amended, to this Commission in this matter (File

No. 55-55), and the bonds owned by the Catholic Church Extension Society, Chicago, Illinois.

(6) \$500 to American National Bank and Trust Company of Chicago for its services and expenses, including those to be rendered in connection with delivery of securities upon consummation of the plan of reorganization heretofore approved by this Commission, as escrow holder under the escrow agreement with the Committee dated June 1, 1937.

(7) \$12,500 to Humes, Buck, Smith & Stowell for their services to March 28, 1939, plus \$586.25 for their out-of-pocket expenses incurred to said date; and \$1,500 to Marshall, Melhorn, Davies, Wall & Bloch for services to March 28, 1939, plus \$50.65 for their out-of-pocket expenses to said date.

(8) \$2,000 to Humes, Buck, Smith & Stowell and \$2,500 to Marshall, Melhorn, Davies, Wall & Bloch for services rendered and to be rendered by them, as determined by the Court, from March 28, 1939, to the end of the reorganization proceeding, plus \$1,000 for their combined actual out-of-pocket expenses, as determined by the Court, from March 28, 1939, to the end of the reorganization proceedings. Humes, Buck, Smith & Stowell and Marshall, Melhorn, Davies, Wall & Bloch are hereby exempted from the necessity of filing further applications pursuant to Rule U-11F-2 with respect to the allowances made in this paragraph (8).

(9) \$1,500 to the National Bank of Lima for services to the end of the reorganization proceedings, plus \$546 for its out-of-pocket expenses to February 27, 1939; and \$1,750 to John L. Cable, plus \$98.16 for his out-of-pocket expenses to February 27, 1939.

(10) \$300 to the National Bank of Lima and John L. Cable for their combined actual out-of-pocket expenses, as determined by the Court, from February 27, 1939 to the end of the reorganization proceedings. The National Bank of Lima and John L. Cable are hereby exempted from the necessity of filing further applications pursuant to Rule U-11F-2 with respect to the maximum allowances made in this paragraph (10).

(11) \$8,000 to Messrs Duff and Phelps for their services to the end of the reorganization proceedings, plus \$1,609.34 for their out-of-pocket expenses to February 22, 1939.

(12) \$175 to Messrs. Duff and Phelps for their actual out-of-pocket expenses, as determined by the Court, from February 22, 1939, to the end of the reorganization proceedings. Duff and Phelps are hereby exempted from the necessity of filing further applications pursuant to Rule U-11F-2 with respect to the allowance made in this paragraph (12).

It is further ordered, That the application of Harry O. Bentley and Edmond W. Hebel, insofar as it relates to services or expenses rendered or incurred in matters other than those in connection with

the reorganization proceedings, be, and it is hereby to that extent dismissed.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-1692; Filed, May 16, 1939;
10:52 a. m.]

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 13th day of May, A. D. 1939.

[File No. 43-197]

IN THE MATTER OF SOUTHWESTERN
DEVELOPMENT COMPANY

ORDER RELATIVE TO EFFECTIVENESS OF
DECLARATION

Southwestern Development Company, a registered holding company, having filed a declaration and an amendment thereto pursuant to Section 7 of the Public Utility Holding Company Act of 1935, regarding the extension of maturity of its note, due July 1, 1941, in the principal amount of \$2,562,298.36; the reduction of interest on said note from 4% to 3½%; and the modification of the Loan Agreement between it and Guaranty Trust Company of New York, under which said note was issued.

A public hearing having been held on the declaration, as amended, pursuant to appropriate notice;¹ the record in this matter having been duly considered; and the Commission having made and filed its findings herein;

It is ordered, That said declaration, as amended, be and become effective forthwith, on the conditions, however:

1. That the extension of maturity of the aforesaid note, the aforesaid reduction of interest thereon, and the aforesaid modification of said Loan Agreement, shall be effected in compliance with the terms and conditions set forth in, and for the purposes represented by, said amended declaration; and

2. That, within ten days after the extension of maturity of the aforesaid note, the aforesaid reduction of interest thereon, and the aforesaid modification of said Loan Agreement, the declarant shall file with the Commission a certificate of notification showing that all of the aforesaid matters have been effected in accordance with the terms and conditions of, and for the purposes represented by, said amended declaration.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-1697; Filed, May 16, 1939;
10:52 a. m.]

¹ 4 F.R. 1720 DI.

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 15th day of May, A. D. 1939.

[File No. 43-200]

IN THE MATTER OF WEST TEXAS UTILITIES
COMPANY

NOTICE OF AND ORDER FOR HEARING

A declaration, pursuant to section 7 of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named party;

It is ordered, That a hearing on such matter be held on June 1st, 1939, at 10:00 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing-room clerk in room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered, That Robert P. Reeder or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice to continue or postpone said hearing from time to time.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before May 26th, 1939.

The matter concerned herewith is in regard to the proposed issue and sale by declarant, an indirect subsidiary of The Middle West Corporation, of \$18,000,000 in principal amount of First Mortgage Bonds, Series A, due May 1, 1969 and \$4,000,000 in principal amount of unsecured Serial Notes, 3½%, due semi-annually, the first installment to be payable six months from the date of said notes and the last installment to be payable approximately 8½ years from the date thereof. The bonds are to be sold publicly through underwriters and the notes privately to certain banks. The net proceeds from such sales are proposed to be applied, together with other funds of the declarant if required, to the redemption and retirement, at 102½ plus accrued interest, of \$21,903,900 in principal amount of declarant's presently outstanding First Mortgage 5% Gold Bonds, Series A, due October 1, 1957. Names of the underwriters and banks,

interest rate of the bonds, and other terms and provisions of the issuance are to be furnished by amendment to the declaration.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-1691; Filed, May 15, 1939;
1:01 p. m.]

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 16th day of May, A. D. 1939.

[File Nos. 34-9; 43-88]

IN THE MATTER OF FEDERAL WATER
SERVICE CORPORATION

NOTICE OF AND ORDER FOR RECONVENING
HEARING

Federal Water Service Corporation, a registered holding company under the Public Utility Holding Company Act of 1935, desiring to propose to its stockholders a voluntary plan of reorganization, heretofore filed with this Commission, (a) an application pursuant to Rule U-12E-4 of the Public Utility Holding Company Act of 1935 for a report by the Commission upon such plan, (b) a declaration pursuant to Rule U-12E-5 with respect to the solicitation of consents to such plan, and (c) a declaration pursuant to Section 7 with respect to the issue of securities and the changes in rights of security holders called for by such plan. A hearing with respect to the foregoing was held and continued subject to call. Subsequently said corporation amended the application and declarations to provide, in the event that the Commission determined not to permit such Section 7 declaration as previously filed to become effective, for a reduction of the corporation's stated capital from \$31,356,373.25 to \$13,500,000. A hearing¹ with respect to the amended application and declarations was held and continued subject to call.

Federal Water Service Corporation now proposes to further amend its application and declarations, heretofore filed with this Commission, to reflect the following amended reorganization plan:

The outstanding Preferred Stocks and Class A stock will, it is proposed, be reclassified into common stock so that one share of Preferred Stock, \$7.00 Series, will be reclassified into 5.25 shares of common stock; one share of Preferred Stock, \$6.50 Series, into 4.875 shares of common stock; one share of Preferred Stock, \$6.00 Series, into 4.5 shares of common stock; one share of Preferred Stock, \$4.00 Series, into three shares of common stock; one share of Class A stock into one-fourth of one share of

common stock. The Class A will also receive one-fourth warrant per share. The terms of the warrants provide that one whole warrant will entitle the holder to purchase from the corporation one share of new Common at \$4.85 per share at any time within two years after consummation of the plan; at \$5.81 per share within the following two years and at \$7.75 per share within the following year. The Class B stock will be cancelled, receiving no new securities except warrants to purchase 169,287 shares of new common stock. The foregoing reclassifications are not to affect the right of holders of preferred stock to receive accrued dividends in arrears on the preferred stock before any dividends are paid upon the common stock. The amended plan provides, however, that the holder of each share of preferred stock may exchange his claim for accrued dividends for new preferred stock so that holders of each share of the \$7.00 Series of old preferred will receive $1\frac{1}{2}$ shares of new preferred stock for their claim to accrued dividends; holders of each share of the \$6.50 Series will receive $1\frac{1}{2}$ shares of new preferred stock; holders of each share of the \$6.00 Series will receive one share of new preferred stock; and holders of each share of the \$4.00 Series will receive $\frac{3}{4}$ of one share of new preferred stock. Holders of preferred stock who elect not to exchange their claim to accrued dividends for new preferred stock are to receive Dividend Arrears Certificates evidencing their right to dividends in arrears up to the time the plan is consummated.

The plan proposes that the new preferred stock will have a par value of \$46.50 per share and will be entitled to receive dividends, when and as declared, of \$2.00 per share for the first two years following the consummation of the plan, thereafter at the rate of \$2.25 per annum for the next two years and thereafter at the rate of \$2.50 per annum, and no more, cumulative, before any amounts are paid in retirement of the Dividend Arrears Certificates and before any dividends are paid on the common stock. Each share of Preferred stock shall be convertible at the option of the holder thereof into ten shares of Common stock at any time within two years from consummation of the plan; into eight shares within the following two years, or into six shares within the following year. On liquidation, the Preferred Stock will be entitled to par and accumulated dividends before any distribution is made on the Dividend Arrears Certificates or the Common Stock. Dividend Arrears Certificates will entitle the holders thereof, subject to the prior rights of the new Preferred Stock, to receive payment, when and as instalments are declared payable by the corporation, of the full face amount thereof before any dividends are paid or other distributions made upon the Common Stock. The Common Stock will have a par value of

\$2.00 per share and will be subordinate in dividend or liquidation payments to the new preferred stock and to the retirement payments on the Dividend Arrears Certificates.

The plan also provides that immediately prior to the consummation of the plan, the presently outstanding Preferred, Class A and Class B stocks shall vote on the re-election of the present Board of Directors, seven in number, the majority of whom shall be elected to serve for three years following the consummation of the plan. The plan provides for re-election of the present directors, thus enabling the management to insure control of the reorganized company for at least three years after the plan is put into effect. Of the remaining three directors elected prior to consummation of the plan, one would be elected for a one year term and two for a two year term. At all elections following consummation of the plan all directors will be elected for the three year term.

The new Preferred and Common stocks will each be entitled to one vote per share upon all matters other than the election of directors. At meetings for the election of directors the new Preferred and Common stocks shall each vote by class, the Preferred being entitled to elect one director at the annual meeting to be held in the year following consummation of the plan and also one additional director at the next ensuing annual meeting. The new Common stock will not be entitled to elect a director until the second annual meeting held after consummation of the plan at which time the Common will be entitled to elect one director. At the third annual meeting held after the consummation of the plan the Common stock will be entitled to elect four more directors and thereafter under normal conditions will be entitled to elect five out of the total of seven directors except that if and when dividends on the Preferred stock are in arrears for twelve full quarterly periods, the Preferred stock, voting as a class shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full board.

As part of the plan the corporation proposes to reduce its Capital stock account represented by the presently outstanding shares of all classes of stock and amounting to \$31,356,373.25 to \$9,544,525.50, the latter figure representing the par value at \$2.00 per share of the new Common stock and the par value at \$46.50 per share of the maximum number of the new Preferred stock to be outstanding. Part of this reduction in Capital stock account is to be used to restate the value at which Investments and Advances are carried on the books by increasing the Reserve for Valuation of Investments by \$7,932,411 while \$6,470,378 is to be used to eliminate present surplus deficits of that amount.

The plan provides that 80% of the Preferred stocks, voting as a class, must vote in favor of the plan and in addition, 80% of the present Preferred stocks must accept new Preferred stock in lieu of Dividend Arrears Certificates in payment for presently outstanding dividend arrears before the plan can become effective. The plan must also be approved by a majority of the holders of the Class A and B stocks, voting by class.

It is ordered, That the before mentioned hearing in this matter be reconvened on June 1, 1939 at 10:00 o'clock in the forenoon of that day at the Securities and Exchange Building, 1778 Pennsylvania Avenue NW., at Washington, D. C. On such day the hearing-room clerk in room 1102 will advise as to the room where such hearing will be held.

At such hearing, cause shall be shown why the before mentioned declarations shall become effective.

It is further ordered, That Charles S. Lobingier or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice to continue or postpone said hearing from time to time.

It is further ordered, That copies of the Commission's release summarizing the amended plan be mailed, at the expense of Federal Water Service Corporation, on or before May 22, 1939, to all

shareholders of record at the close of business on May 15, 1939.

Notice of such reconvening of such hearing is hereby given to Federal Water Service Corporation and to all others who have appeared in this proceeding and to any other person whose participation in this proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file notice to that effect with the Commission on or before May 27, 1939.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-1704; Filed, May 16, 1939;
12:27 p. m.]

